

Application of Accounting for Medicines Inventory Based on PSAP. 05 at Regional Public Hospital

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ABSTRACT: This study aims to analyze the application of inventory accounting to the applicable standard which are applied by the object of Regional Public Hospital. The applicable standard referred to in this study is the Statement of Government Accounting Standards Number 05 concerning inventory accounting, which is contained in Government Regulation Number 71 of 2010. Healthcare organizations need to efficiently use their available resources, improve their productivity, reduce operating costs, and provide high-quality services. The hospital which is the object of this research is RSUD Prov. Jawa Timur. This Study uses a quantitative data analysis method and a literature study approach. Sources of data use secondary data in the form performance report BLUD of the official hospital website. The result of this study indicates that the application of the Medicines Inventory Accounting at Regional Public Hospital has been applied in accordance with the government Accounting Standards Statement (PSAP) Number 05. From the analysis result, the researcher identifies that much appropriateness between the accounting treatment which has been arranged in PSAP 2010 with an accounting policy which has been applied in the element of financial report and accounting treatment of supply used. However, in some treatments, there is need maintenance and technology implementation on their medicines supply.

Keywords: Inventory Accounting, PSAP No. 05, Medicines Inventory, Government Accounting, Accounting Standards Statement



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INTRODUCTION

Currently, health is one of the important things needed by everyone. This is evidenced by the increasing number of private hospitals or clinics being established. In Indonesia, several international standard hospitals with various advanced facilities have been established ([Budiwan, and Efendi, 2016](#)). Public sectors are closely related to public sustainability and have a wide area of coverage. Public sector organizations have more to do with public life such as providing services and meeting public needs. Hospitals are social service institutions that prioritize service to the community and always pay attention to service ethics. [Andy \(2009\)](#) states that:

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There are important factors that dominantly influence the development and

development and improvement of hospitals in Indonesia, namely:

1. Socio-economic development of the community;
2. The development of science and technology in the field of medicine
3. The development of various diseases;
4. Availability of budget or funds for hospital development and improvement;
5. Development and advancement of management including hospital management;
6. The existence of hospital competition;
7. Changes in government policy, especially regarding services in the health sector health.

Healthcare institutions are responsible for planning, purchasing, managing, handling, tracking, and transporting stock (e.g., medications, medical equipment, and supplies). ([Balki, Bandar, et al, 2022](#)). In addition to these seven factors, the performance of the Regional General Hospital is also largely determined by the scale of economic activity of the region concerned. The Regional General Hospital as one of the government agencies must be able to provide both financial and non-financial accountability to the local government and the community as service users. [Aurora \(2010\)](#) reveals that the Regional General Hospital is one of the local government agencies engaged in the public sector in terms of health services. The business activities of the Regional General Hospital are social and economic in nature which prioritize the best health services for the community.

Law of the Republic of Indonesia Number 44 of 2009 concerning Hospitals, hospitals are health service institutions that organize comprehensive individual health services that provide inpatient, outpatient, and emergency services. The increasing prominence of accounting in the public sector had important implications for engineering, teaching and other professions that had traditionally played a central role in defining and delivering public services ([Gebreiter, 2016](#)).

Hospitals established by the Government and Regional Governments must be in the form of Technical Implementation Units of Agencies in charge of the health sector, certain Agencies, or Regional Technical Institutions with the management of the Public Service Agency (BLU) or Regional Public Service Agency (BLUD) in accordance with statutory provisions.

Hospitals have the following functions:

1. Organizing treatment and health recovery services in accordance with hospital service standards;
2. Maintenance and improvement of individual health through comprehensive second and third level health services according to medical needs;
3. The organization of education and training of human resources in order to improve the ability to provide health services; and
4. Organizing research and development as well as technology screening in the field of health in order to improve health services with due regard to the ethics of science in the field of health.

Statement of Government Accounting Standards (PSAP) No. 05 No. 4 government regulation No. 71 of 2010 based on the accrual system Inventories are liquid tools in the form of goods or

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equipment designed to support government operations and are intended to provide services to the public. As a public institution that must provide public goods and services, government agencies such as hospitals must manage and perform inventory accounting properly. For inventory processing in government agencies, it must comply with established standards, namely Government Accounting Standards Statement Number 05 concerning Inventory Accounting, in order to obtain relevant accounting information about inventory. Handling inventory by referring to these standards clearly describes the process of identifying, measuring and presenting existing inventory ([Erlina, 2015](#)).

The everyday work of accountants involves recording transactions in the classification system that is double-entry bookkeeping. The financial statements which result are also classifications: for example, assets are classed as non-current or current; the former are then sub-classed as tangible, intangible or financial ([Nobes and Stadler, 2013](#)). In the application of Government Accounting Standard No. 05 (PSAP 05) 2010, inventory needs to be calculated and planned carefully so that inventory remains under control. This means that inventory should not be insufficient and surplus, as this will cause unfavorable things. For example, a shortage of supply will result in an inability to meet demand, and thus being unable to meet demand. Excessive supply is also detrimental to the organization, such as a high risk of non-compliance. Therefore, the institution should be able to handle its own supplies as much as possible in accordance with hospital management policies and procedures. In order to carry out inventory counting work regularly, several personnel are responsible for each part in accordance with the procedures in the hospital accounting system. In addition, the clearance of represented information has impacts on the services, such as inhibiting the process of providing information, the difficulty of data processing, inhibiting administrative related activities, and hampering communication among health employees ([Rizki, Fadila., et al, 2020](#)).

The CMEA also required retail drugstores to provide proper training to those store-front employees who were responsible for directly dealing with customer purchases. Drugstores were to ensure that these employees understood these legal requirements and followed proper procedures. Drugstores were also to self-certify to relevant authorities in their jurisdictions to demonstrate that all store-front employees had undergone the required training. ([Guo and Eschenbrenner, 2017](#))

When inventory quantities are determined solely by means of a physical count, and all counts are made as of the balance-sheet date or as of a single date within a reasonable time before or after the balance-sheet date, it is ordinarily necessary for the independent auditor to be present at the time of the count and, by suitable observation, tests, and inquiries, satisfy himself respecting the effectiveness of the methods of inventory-taking and the measure of reliance which may be placed upon the client's representations about the quantities and physical condition of the inventories ([Apostolou, et al, 2014](#))

Based on Government Accounting Standard No. 05 Paragraph 13 of Government Regulation No. 71 of 2010, inventories are recognized: 1) When the government obtains potential future economic benefits and their value or cost can be measured reliably; and 2) Upon receipt or transfer of

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ownership and/or possession. At the time of preparing the budget realization report, at the time of purchase, it is only recorded as a commodity expenditure and affects the estimated change in the SAL, while at the time of preparing the operating report, the purchase of inventory will be recorded as inventory expenditure and cash expenditure ([Erlina, 2015](#)). The value of inventory includes all costs that must be incurred before the goods are used. In PSAP No. 05 government regulation No. 71 of 2010 there are three options for measuring and valuing inventory, namely Acquisition cost based on purchase. 2) Cost of goods produced by self-production. 3) Price or fair value, obtained in other ways ([Erlina, 2015](#)).

Based on Government Accounting Standard No. 05 Paragraph 13 of Government Regulation No. 71 of 2010, inventories are recognized: 1) When the government obtains potential future economic benefits and their value or cost can be measured reliably; and 2) Upon receipt or transfer of ownership and/or possession. At the time of preparing the budget realization report, at the time of purchase, it is only recorded as a commodity expenditure and affects the estimated change in the SAL, while at the time of preparing the operating report, the purchase of inventory will be recorded as inventory expenditure and cash expenditure. The value of inventory includes all costs that must be incurred before the goods are used. In PSAP No. 05 government regulation No. 71 of 2010 there are three options for measuring and valuing inventory, namely Acquisition cost based on purchase. 2) Cost of goods produced by self-production. 3) Price or fair value, obtained in other ways ([Erlina, 2015](#)).

PSAP No. 05 Paragraph 26 government regulation states that something needs to be disclosed in the financial statements relating to inventory of goods is the accounting policy system in the valuation of inventory figures, further elaboration such as goods or equipment intended for services to the public, equipment intended for the production process, stored goods intended for the sales process or community grants, and goods in the production process intended for the sales process. The purpose of a formulary system is to ensure that medicine inventory in patient care settings is aligned with available evidence, medically appropriate, safe, and cost-effective, laying the groundwork for improving the quality of care, reducing cost and waste, and practicing evidence-based medicine. ([Tepolt, et al, 2021](#))

Pharmaceutical supplies in hospitals have different characteristics from the type of inventory in general when compared to other units, where other supplies have their own treatment for depletion, which can be done with certain discounts and offers. But considering that pharmaceutical supplies are a supply that will not come out of the warehouse unless it is adjusted for the type of disease complaint or patient pain, the supply will not come out if it does not match the condition of the patient's complaint. So this needs to be adjusted with clear SOPs, so that there is no accumulation of certain types of drugs due to failure to predict most types of patient diseases or failure to manage storage methods and storage periods. Because drug abuse is the consumption of some drugs in a quantity that may be self-damaging or addictive ([Abbasi, et al, 2023](#)).

In recent years, some companies have developed inventory controls or methods of determining inventories, including statistical sampling, which are highly effective in determining inventory quantities and which are sufficiently reliable to make unnecessary an annual physical count of each

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item of inventory. In such circumstances, the independent auditor must satisfy himself that the client's procedures or methods are sufficiently reliable to produce results substantially the same as those which would be obtained by a count of all items each year. ([Gross, Andrew, et al, 2020](#))

[Baridwan \(2004\)](#) Explain that Accounting has two kinds of Inventory Recording Method, there are (1) Physical Method and (2) Book Method. Therefore, accounting in accordance with applicable regulations will produce accounting information which will later become a determinant and rule in the internal control of the organization and facilitate the uniformity of understanding of readers of the Performance Report or Financial Report. Inventory control should be able to provide a fact, that inventory data is reliable in terms of physical appearance, accumulated value, quality, price, and recording system with real conditions in the hospital. Inventory has a significant relationship to the financial statements of an OPD. Therefore, regional public hospitals should implement Government Accounting Standards (SAP) accompanied by Government Accounting Standards Statement (PSAP) No. 05 concerning Inventory Accounting.

([Haliah, et al, 2022](#)) Government hospitals consisting of central government hospitals and regional hospitals are established based on BLU management based on statutory regulations (Law No.44 of 2009 concerning Hospitals). This hospital is engaged in the public sector by serving health. Hospital operating income is currently highly dependent on government subsidies. Therefore, hospitals are expected to be able to manage existing resources for operational sustainability. Hospital management is not only active in the social field but also in the socio-economic field, has social responsibility, and must apply economic principles in its financial management.

Based on the Decree of the Minister of Health of the Republic of Indonesia Number 1197/MENKES/SK/X/2004 concerning Hospitals, hospital pharmaceutical services are one of the activities in hospitals that support quality health services. Hospital pharmacy services are an integral part of the hospital health care system that is oriented towards patient care, the provision of quality drugs, including clinical pharmacy services that are affordable for all levels of society. The hospital pharmacy is responsible for all pharmaceutical goods circulating in the hospital.

The RS Prov. Jawa Timur is a Public Service Agency (BLUD) that organizes accounting for specific inventory on drug inventory items whose value is significant in the financial statements of each reporting period in accordance with government regulations. Based on the above background, researchers will conduct research on the application of drug inventory accounting based on PSAP No. 05 at the RSUD Prov. Jawa Timur.

METHOD

The form of research that is the reference in this study is qualitative. ([Sugiyono, 2018](#)) qualitative system is the presentation of research results in the form of sentences, which are obtained through various data collection techniques. This study will analyze the suitability of applying the concept of recording drug inventory based on applicable standards, namely Government Accounting Standards Statement Number 05 (PSAP 05) concerning inventory accounting. This research will

also refer to Government Regulation Number 71 of 2010 concerning inventory recording and management. The research is located at RSUD Prov. Jawa Timur.

To analyze the data obtained in this paper, the authors use a qualitative data analysis method using secondary data and literature study based on the Performance Report of RSUD Prov. Jawa Timur which was uploaded on the hospital's official website

RESULT AND DISCUSSION

Pharmaceutical services in hospitals include two activities, namely managerial activities in the form of management of pharmaceutical preparations, medical devices and consumable medical materials and clinical pharmacy service activities. Based on its distribution, the place and system of management of pharmaceutical preparations, medical devices and consumable medical materials at RSUD Haji Prov Jatim are divided into 2, namely:

- a. **Pharmaceutical Logistics** Pharmaceutical Logistics serves the needs of service units and supporting units in the Hospital such as the Central Surgical Installation, Emergency Department, Haemodialysis Installation, Inpatient Installation, Outpatient Installation, ICU, Pavilion Installation, Clinical Pathology Installation, Anatomical Pathology Installation, Radiology Installation including the Pharmacy Depot. Pharmaceutical Logistics cannot provide direct income because all pharmaceutical supplies used by patients and units are included in the service tariff. So pharmaceutical logistics here is a cost center.
- b. **Pharmacy Depot** The Pharmacy Depot provides direct services to patients through prescriptions for outpatients, inpatients, and emergency patients. The Pharmacy Depot is a unit that provides direct income, because all pharmaceutical preparations and medical devices issued to patients are paid according to their use. The pharmacy depot is referred to here as a revenue center.

Standard Operating Procedure for drug inventory

1. Selection of Pharmaceutical Supplies

Selection is an activity to determine the type of pharmaceutical preparation referring to the National Formulary and those listed in the E Catalog of drugs. The selection of types of pharmaceutical preparations that are not listed in the National Formulary but are needed in the hospital is prepared by the Pharmacy and Therapy Committee in accordance with the Director's Decree No.445/954/304/2019 concerning the Establishment of the Pharmacy and Therapy Committee Period 2019 - 2022 established by the Hospital Leader in the form of a Formulary (Director's Decree No. 445/919/304/2016 concerning the Enforcement of the Use of Formularies at the RSUD Haji Prov. Jawa Timur).

Criteria for selecting drugs to be included in the Hospital Formulary:

- a. Prioritizing the use of generic drugs
- b. Have a benefit-risk ratio that is most favorable to the patient
- c. Guaranteed quality, including stability and bioavailability

- d. Practical in storage and transportation
- e. Favorable in terms of compliance and acceptance by patients
- f. Has the highest benefit-cost ratio based on direct and indirect costs
- g. Other drugs that are scientifically proven to be the most effective and safe (evidence based medicine) that are most needed for services at an affordable price.

2. Planning for Pharmaceutical Supplies Needs

Needs planning is an activity to determine the amount and period of procurement of pharmaceutical preparations in accordance with the results of selection activities to ensure that the criteria of the right type, right amount, right time and efficiency are met. Planning must consider:

- a. Available budget
- b. Prioritization
- c. Remaining inventory
- d. Previous period usage data
- e. Order lead time

3. Procurement of Pharmaceutical Supplies

Procurement is an activity to realize the needs that have been planned and approved, through purchases and donations/drops/grants. Matters that must be considered in the procurement of pharmaceutical supplies include:

- a. Medicinal raw materials must be accompanied by a Certificate of Analysis;
- b. Pharmaceutical Supplies have a distribution license number
- c. Expired date is at least 2 years, except for certain pharmaceutical preparations that have a short expiration date such as reagents, vaccines and others.

Procurement activities can be carried out through :

- a. Purchase
- b. Production
- c. Grant

4. Receiving of Pharmaceutical Supplies

Receiving is an activity to ensure that the type, specifications, quantity, quality, delivery time and price stated in the contract or order letter are in accordance with the physical conditions received. All documents related to the receipt of goods must be stored properly. Some of the things that must be considered in the receipt and inspection of pharmaceutical preparations include:

1. Pharmaceutical Supplies received must match the type and quantity between the goods and the accompanying documents.
2. Receipt of Pharmaceutical Supplies must be carried out by officers who are trained, responsible and understand pharmaceutical supplies.
3. Acceptance and inspection of pharmaceutical supplies is carried out by the Work Result Inspection Committee (PPHD).

5. Storage of Pharmaceutical Supplies

After the goods are received by the PPHP, they are handed over to the Management of Medical Supplies in the Pharmaceutical Installation and need to be stored before distribution. Storage must be able to ensure the quality and safety of Pharmaceutical Supplies in accordance with pharmaceutical requirements. Pharmaceutical requirements include requirements for stability and safety, sanitation, light, humidity, ventilation, and classification of types of Pharmaceutical Supplies.

6. Arrangement of Pharmaceutical Supplies in the Pharmaceutical Installation

- a) Pharmaceutical preparations in the pharmaceutical installation are arranged according to dosage form, type of preparation and sorted alphabetically.
- b) The arrangement uses the First Expired date First Out (FEFO) and First In First Out (FIFO) principles.
- c) Arranging drugs in large packages on pallets in a neat and orderly manner. For small packaged drugs and small quantities, they are stored on shelves and separated between internal drugs and drugs for external use by paying attention to the uniformity of batch numbers.
- d) Storage should pay attention to temperature, air, light and bacterial contamination.
- e) Storage for pharmaceutical preparations that require special storage according to applicable regulations.

7. Distribution of Pharmaceutical Supplies

Distribution is a series of activities in order to distribute / deliver Pharmaceutical Supplies from the storage area to the service unit / patient while ensuring quality, stability, type, quantity, and timeliness. The distribution system must be able to guarantee the implementation of supervision and control of Pharmaceutical Supplies in the service unit. The distribution system for patient services is designed on the basis of ease of reach for patients by considering the efficiency and effectiveness of existing resources and distribution methods with the following provisions:

- a) Pharmaceutical supplies are distributed based on doctor's requests and adjusted to the formulary applicable in the hospital and applicable requirements.
- b) The distribution of pharmaceutical supplies is distinguished for inpatients, outpatients and the distribution of pharmaceutical supplies outside working hours.

8. Destruction and Withdrawal of Pharmaceutical Supplies

Destruction is carried out for consumable pharmaceutical preparations when:

- a) The product does not meet the quality requirements;
- b) Has expired;
- c) Does not meet the requirements for use in health services or the interests of science;
- d) The withdrawal of pharmaceutical preparations, medical devices, and consumable medical materials is carried out for products whose distribution license has been revoked by the Food and Drug Supervisory Agency (BPOM). Withdrawal of pharmaceutical

preparations, medical devices, and consumable medical materials by BPOM or the original manufacturer through distributors.

9. Pharmacy Control

Control is carried out on the type and amount of supplies and use of pharmaceutical preparations. Control of the use of pharmaceutical preparations is carried out by the Pharmaceutical Installation

and the Pharmacy and Therapy Committee (PFT) including:

- a) Use of drugs according to the Formulary
- b) Use of drugs in accordance with diagnosis and therapy
- c) Ensuring that supplies are effective and efficient or that there are no excesses and shortages / vacancies, damage, expiration, and loss and return of orders for pharmaceutical preparations.
- d) Control methods are:
 - Evaluate inventory that is rarely used (slow moving);
 - Evaluate inventory that is not used within three consecutive months (death stock);
 - Stock-taking is carried out every 1 month.

10. Pharmacy Administration

Administration is carried out in a sustainable and orderly manner to facilitate tracking of activities. Administration activities consist of:

- a) Recording and reporting Recording and reporting on pharmaceutical preparation management activities which include planning needs, procurement, receipt, distribution, inventory control, return, destruction and withdrawal of pharmaceutical preparations. Reporting is made on a monthly, quarterly and annual basis.
- b) Financial administration Financial administration is the setting of budgets, control and analysis of costs, collection of financial information, preparation of reports, use of reports relating to all pharmaceutical service activities on a regular basis in monthly, quarterly and annual periods.
- c) Administration of deletion Administration of deletion is a settlement activity for pharmaceutical preparations that are not used due to expiration, damage, quality does not meet standards by making a proposal for the deletion of pharmaceutical preparations to the director.

Pharmacy Installation Performance

Hospitals are capital-intensive and labor-intensive activities for their operations. operations, and hospitals also emphasize the application of social and moral values. social and moral values. As a healthcare organization (medical safety organization), most of the rehabilitation or medical rehabilitation actions in a hospital depend on the availability of medicines. A hospital depends on the availability of medicines, it can even be said that medicine is the heart of the hospital. That medicine is the heart of the hospital ([Amanda, 2010](#)).

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There are variations between the proven efficacy of pharmaceuticals and their clinical effectiveness. These variations may be attributed to several factors like the procurement of low-quality pharmaceuticals, substandard formulations, improper storage conditions, patient-related factors, etc ([Chand, et all, 2022](#))

The performance of the Pharmacy Installation service can be seen through data on the number of prescriptions served. The table below presents prescription service data at the pharmacy depot.

Service Area	Year 1			Year 2			Year 3		
	ΣRecipe Written	ΣRecipe Served	Fulfillment	ΣRecipe Written	ΣRecipe Served	Fulfillment	ΣRecipe Written	ΣRecipe Served	Fulfillment
Outpatient	733.726	658.809	89,79%	491.096	474.096	96,43%	487.592	481.348	98,72%
IGD	329.101	283.889	86,26%	208.386	201.386	96,66%	189.960	183.250	99,08%
Inpatient	1.544.474	1.519.454	98,19%	1070.120	1.066.076	99,62%	1.051.177	1.050.409	99,93%
Total	2.607.301	2.459.152	94,32%	1.770.115	1.741.558	98,39%	1.723.729	1.715.007	99,49%
The Average Recipe Written	2.033.715			The Average Recipe Written			1.971.906		
Trend Recipe Written	(15,24%)			Trend Recipe Written			(13,03%)		

a. Outpatient

Service Area	Year 1			Year 2			Year 3			Trend
	ΣRecipe Written	ΣRecipe Served	Fulfillment	ΣRecipe Written	ΣRecipe Served	Fulfillment	ΣRecipe Written	ΣRecipe Served	Fulfillment	
Generics	441.580	396.493	87,79%	293.540	283.054	96,43%	291.452	287.720	98,72%	(10,76%)
Non Generics Formulation	292.146	262.316	87,79%	198.119	191.042	96,43%	196.141	193.629	98,72%	(10,22%)
Non Generics	0	0		0	0		0	0		
Total	733.726	658.809	87,79%	491.659	474.096	96,43%	487.593	481.349	98,72%	(10,54%)

b. IGD

Service Area	Year 1			Year 2			Year 3			Trend
	ΣRecipe Written	ΣRecipe Served	Fulfillment	ΣRecipe Written	ΣRecipe Served	Fulfillment	ΣRecipe Written	ΣRecipe Served	Fulfillment	
Generics	198.064	170.854	86,26%	124.385	120.235	96,66%	110.557	109.535	99,08%	(17,98%)
Non Generics Formulation	131.037	113.035	86,26%	83.951	81.150	96,66%	74.403	73.715	99,08%	(17,45%)
Non Generics	0	0		0	0		0	0		
Total	329.101	283.889	86,26%	208.336	201.386	96,66%	1.051.177	1.050.409	99,08%	(17,77%)

c. Inpatient

Service Area	Year 1			Year 2			Year 3			Trend
	ΣRecipe Written	ΣRecipe Served	Fulfillment	ΣRecipe Written	ΣRecipe Served	Fulfillment	ΣRecipe Written	ΣRecipe Served	Fulfillment	
Generics	929.514	912.651	98,19%	638.903	636.489	99,62%	628.327	627.868	99,93%	(13,48%)
Non Generics Formulation	614.959	603.803	98,19%	431.216	429.586	99,62%	422.850	422.541	99,93%	(12,93%)
Non Generics	0	0		0	0		0	0		
Total	1.544.474	1.516.454	98,19%	1.070.120	1.066.076	99,62%	1.051.177	1.050.409	99,93%	(13,26%)

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Trend of prescription services at the pharmacy depot is still experiencing a decrease of 15.24% for incoming prescriptions (written prescriptions) and 13.03% for prescriptions served. This decline is the impact of the pandemic where patient visits have decreased in both emergency, outpatient and inpatient services. However, when viewed from the point of view of prescription fulfillment, the achievement increased compared to before the pandemic, namely from 94.32% to 99.49%. The factor causing this increase in fulfillment is the variety of drugs needed is less during the pandemic, because during the pandemic the variety of diseases is not too much and most cases of disease in outpatients are chronic diseases.

The trend of prescription services in the 3rd year outpatient depot still experienced a decrease in both generic and non-generic formulary drugs by 10.76% and 10.22%. Meanwhile, in the emergency depot, the decrease in generic drugs was 17.98% and 17.45% in non-generic formulary drugs. Meanwhile, the percentage of prescription fulfillment in both outpatient and emergency depots has increased from 86.26% to 99.08%. The level of patient satisfaction contains information about the structure, process, and outcome of the treatment. ([Akbar., et al, 2020](#)).

A decrease in prescription service also occurred in the inpatient depot for both generic and non-generic formulary drugs by 13.48% and 12.93% in 2021. However, compared to outpatient and emergency depots, prescription fulfillment at inpatient depots is more stable every year, from 98.19% to 99.93%. Of the three depots, the largest decrease in prescription services was experienced by the emergency depot, namely 17.77%. One of the factors is that people still have a negative stigma towards hospitals, especially the emergency room during this pandemic, so that the number of emergency room visits has decreased significantly. Meanwhile, the smallest decrease was in the outpatient depot, which amounted to 10.54%. Since face-to-face encounters with patients are limited due to the COVID-19 safety requirements, telemedicine in maternal health has been increasingly used ([Ekawati, et al, 2023](#)).

Apart from the ability to fulfill drugs, the performance of the Pharmacy Installation is also measured through the waiting time for pharmaceutical services whether it can reach the predetermined target. The waiting time for pharmaceutical services is the service waiting time that is calculated from the completion of the prescription entry until the drug is delivered to the patient. The target and achievement of waiting time for pharmaceutical services at RSUD Haji Prov Jatim are presented below;

DEPO	Recipe	Target	Comparison	
			Previous Before	Now
			Average Waiting Time	Average Waiting Time
Pharmacy Depo JKN	Non Medicine Concoction	Less than 30 Minute	39 minute	30,99 minute
	Medicine Concoction	Less than 60 Minute	48,92 minute	33,87 minute
Pharmacy Depo Inpatient	Non Medicine Concoction	Less than 30 Minute	12,49 minute	12,01 minute
	Medicine Concoction	Less than 60 Minute	35,35 minute	33,87 minute
Pharmacy Depo IGD	Non Medicine Concoction	Less than 30 Minute	5,11 minute	5,61 minute
	Medicine Concoction	Less than 60 Minute	15,75 minute	7,55 minute

Overall, the Pharmacy Installation can achieve the target for drug service times for both concoctions and noncompounded drugs in all pharmaceutical depot service areas. This achievement is considered very good. By maintaining achievements and continuing to innovate, it will increase patient confidence to choose the RSUD Haji Prov Jatim Hospital as the main destination for treatment. Pharmacists have also reported a lack of confidence and sense of responsibility for patient care decisions ([Nair, et al, 2023](#)).

Pharmacy Supplies of RSUD Haji Prov Jatim

Types of Inventory

[Rusdah \(2011\)](#) states that inventory can be distinguished from its function, and seen from the type and position of goods in the order of product workmanship. According to its function, inventory is divided into:

1. Batch Stock or Lot Inventory

Inventory that is held because it has or makes goods in larger quantities than the amount needed at that time. Get a price advantage on the purchase price of efficient production and savings on accommodation costs.

2. Fluctuation Stock Inventory held to supplement fluctuations in consumer demand that cannot be predicted.

3. Anticipation Stock

Supplies held to deal with fluctuations in demand that can be predicted, based on consumer patterns found in a year to deal with increased use or sales (demand).

Judging from the type and position of the product in the product work order, inventory is divided into:

a) Raw material inventory (raw material stock)

b) Inventory of product parts or purchased parts (purchase parts or component stock)

c) Inventory of auxiliary materials or supplies (supplier stock)

d) Inventory of semi-finished goods or work in process or progress stock

5. Finished goods stock.

RSUD Haji Prov Jawa Timur Inventory Value

Year	Supplies	Amount
Previous Before	Pharmacy Supplies	10.878.833.862,00
Now	Pharmacy Supplies	12.945.011.991,00

From the table above, it is known that in the previous year there was an increase in drug supply at RSUD Haji Prov. Jawa Timur by 18% from the previous year's period to overcome the scarcity of several types of drugs since the pandemic. Inventory management is a core operational component of supply chain management that provides accurate, complete and timely information for the storekeeper when to order or issue, what proportion to order or issue, way to sustain an acceptable stock level of all products to avoid shortages and oversupply ([Boche, et al, 2022](#)).

[Kieso, et al \(2007\)](#), inventories are asset items that are held for sale in normal business operations or goods that will be used or consumed in producing goods to be sold. [Skousen, et al \(2007\)](#), inventories are assets that are stored for sale in the normal course of the company, as well as assets

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that are available for use as materials in the production process. Definition of inventory Statement of Financial Accounting Standards (PSAK) Number 14 of 2013, inventory is an asset: 1. Available for sale in the ordinary course of business; 2. In the production process for such sales; or 3. In the form of materials or equipment for use in the production process or provision of services.

Analysis of the Overview of Accounting Treatment of Pharmacy Supplies at RSUD Haji Prov. Jawa Timur

Financial accounting is basically more specific regarding matters relating to the accounts contained in the financial statements. The implementation of financial accounting in the field must refer to the applicable guidelines or standards, in this case the Statement of Financial Accounting Standards (PSAK) ([Arniati, et al: 2012](#)).

[Kieso, et al \(2007\)](#), financial accounting is a process that ends in the preparation of financial statements concerning the company as a whole for use by both internal and external parties. Users of these financial statements include investors, creditors, managers, labor unions and government agencies. Meanwhile, [Warren, et al \(2005\)](#), financial accounting is concerned with recording and reporting data with the company's economic activities. Although a financial report produces useful information for managers, it is the main report for owners, creditors as well as government agencies and society.

In summary, the comparison between the accounting treatment according to PSAP 2010 and the accounting treatment at RSUD Haji Prov. Jawa Timur is presented in the following table;

No	Item PSAP Tahun 2010	Perlakuan di RSUD
1	General purpose financial statements are prepared and presented on an accrual basis. General purpose financial statements are statements intended to meet the needs of users. The users are the public, including legislative bodies, auditors or supervisors, parties that give or play a role in the donation, investment, and loan process, and the government	Yes
2	Accrual basis for LO, balance sheet, expenses, assets, liabilities and equity.	Yes
3	Cash basis for LRA, revenue, financing receipts, expenditure, transfers and financing expenditure.	Yes
4	Financial statements are presented at least once a year, consisting of LRA, statement of changes in excess budget balance, balance sheet, LO, statement of changes in equity, cash flow statement and CaLK	Yes
5	Inventories are assets in the form of goods stored for sale or delivery to the public in the context of government activities	Yes
6	Inventories are recognized 4. when the potential future economic benefits are obtained by the government and have a value or cost that can be measured reliably, 5. when they are received or when their ownership rights and or control transfer	Yes
7	Inventories are stated at cost if acquired by purchase. Cost includes purchase price, handling costs and other costs that can be directly charged to the acquisition of inventories.	Yes
8	Inventories can be valued using: 1. Systematic methods such as FIFO/FEFO; 2. Last purchase price if each unit of inventory is of immaterial value and of various types	Yes

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9	Inventory is recorded on a perpetual basis, the measurement of inventory usage is calculated based on the record of the number of units used multiplied by the value per unit according to the valuation method used. Inventory is recorded periodically, then the measurement of inventory usage is calculated based on physical inventory, namely by means of the opening balance of inventory plus the purchase or acquisition of inventory minus the ending balance of inventory multiplied by the value per unit according to the valuation method used	Yes
10	The financial statements disclose: 1. accounting policies used in the measurement of inventories; 2. further explanation of inventories; 3. type, amount, and value of inventories in damaged or obsolete condition.	Yes

Overall, the accounting treatment according to PSAP 2010 has been implemented quite well. This can be seen from table 2 which identifies that there are many conformities between those in the 2010 PSAP with the accounting policies in RSUD Haji Prov. Jawa Timur.

Excess Accounting Treatment of Medicines Inventory at RSUD Haji PProv Jawa Timur

From the description of the accounting treatment of medicine inventory accounts that have been carried out by the RSUD Haji Prov Jawa Timur, researchers analyze that there are advantages or conformity with PSAP 2010, namely:

- b. The organizational structure at RSUD Haji Prov Jawa Timur already reflects the separation of functions and duties in each section properly. Implementation in each section has been carried out in accordance with its functions and duties.
- c. The flow of medicine inventory RSUD Haji Prov Jawa Timur adheres to the First In First Out (FIFO) / First Expired First Out (FEFO) method, the valuation of which is based on:
 - a) Last Purchase price if obtained by purchase
 - b) Standard price if obtained by self-production
 - c) Price or fair value or estimated sales value if obtained by other means such as donation.This treatment refers to and is in accordance with PSAP Number 05 of 2010. Inventories can be valued using the FIFO and FEFO methods or weighted average and last purchase price if each unit of inventory is immaterial in value and of various types, as described in paragraph 17 of Government Accounting Standard No. 05 of 2010.
- d. Recording of transactions carried out by RSUD Haji Prov Jawa Timur is in accordance with the 2010 PSAP related to the purchase of drugs to distributors or the sale of drugs to patients, namely by using the accrual basis. So that the recording of a transaction is carried out when the transaction occurs or environmental conditions affect the finances of the RSUD, not when cash is received or paid by cash.
- e. RSUD Haji Prov Jawa Timur as a BLUD must prepare financial statements for the purpose of consolidation to Local Government in accordance with PSAP Number 01 of 2010 consisting of budgetary reports, financial statements, and Notes to Financial Statements (CaLK). The budgetary reports consist of the LRA and the Statement of Changes in Excess Budget Balance (SAL). The financial statements consist of the Balance Sheet, LO, Statement of Changes in Equity (LPE), and Statement of Cash Flows (LAK). The accounting basis used in the reporting uses the accrual basis, except for the budget realization report using the cash basis. This treatment refers to and is in accordance with Government Accounting Standard No. 01/2010 in paragraph 60.

Weaknesses in the Accounting Treatment of Medicines Inventory at RSUD Haji Prov. Jawa Timur

Weaknesses in the Accounting Treatment of Medicines Inventory at RSUD Haji Prov. Jawa Timur
From the description of the accounting treatment of medicine inventory accounts that have been

carried out by RSUD Haji Prov. Jawa Timur I, researchers analyze that there are several weaknesses or discrepancies with PSAP 2010, namely:

One of the obstacles in health services in a hospital is data processing in hospitals which includes administrative and functional data effectively and efficiently. The information system at the RSUD Haji Prov Jawa Timur is currently not running well. This can be seen from the non-integration of data, not recording all data accurately. This has an impact on reporting, so that the information produced is not in accordance with what is expected by management.

CONCLUSION

According to the results of research on the implementation of drug inventory accounting at the RSUD it can be concluded that the drug inventory accounting of the RSUD Haji Prov. Jawa Timur is in compliance with applicable standards. The implementation of the method of recording drugs by the RSUD Haji Prov. Jawa Timur is in accordance with PSAP 05. Likewise, the measurement of inventory, inventory expenses, and drug inventory of the RSUD Haji Prov. Jawa Timur is also stated to be in accordance with applicable government accounting standards.

Based on the conclusion above, the suggestions that can be given to the RSUD Haji Prov. Jawa Timur include the following:

- a. Maximizing the application of Standard Operating Procedures in procurement, receipt, storage, distribution and destruction that have been carried out optimally can minimize the addition of non-value-added costs for the management of pharmaceutical preparations, and reduce losses due to mismanagement of pharmaceutical preparations.
- b. Hospitals are expected to provide training related to inventory accounting and inventory recording in order to find out changes that are in accordance with the provisions of the applicable PSAP.
- c. Hospitals must also pay attention to drug availability data in order to provide good drug management and services to patients so that drug service time can be maximized.
- d. It is hoped that in the future the hospital can maximize the use of technology integration / computerized technology ("Healthy Plus") to maximize the logistics of drugs from the Pharmacy warehouse.
- e. For further researchers, in order to add research variables or expand the scope of further research and the weaknesses of this study, the research results are more accurate and can be generalized, and researchers can also focus on inventory information technology owned by hospitals.

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